



April 1, 2011

Julius Genachowski
Chairman
Federal Communications Commission
Washington, D.C. 20554

RE: Notice of Proposed Rulemaking – WC Docket No. 07-135, CC Docket No. 01-92

Dear Chairman Genachowski,

We are co-chairs of the Telecommunications and Information Technology Task Force at the American Legislative Exchange Council (ALEC). ALEC represents more than 1,800 state legislators, making it the largest non-partisan individual membership association of state lawmakers in the nation.

We are writing to express ALEC's view concerning the Commission's *Notice of Proposed Rulemaking*. The well-documented problem of access stimulation ("traffic pumping") seriously undermines the system of intercarrier compensation and imposes undue costs on consumers. We believe that the FCC must act expeditiously to resolve traffic pumping through its rulemaking process.

Although some parties have claimed that traffic pumping is good public policy to fund broadband deployment, the fact of the matter is that traffic pumping harms competitive investment in broadband infrastructure as traffic pumpers leverage these non-competitive revenues to insulate themselves from the threat of competition. This is a clear contravention of the mandate of the federal Telecommunications Act.

ALEC has carefully considered the issue of access stimulation and has adopted a *Resolution on Traffic Pumping* – a copy of which is enclosed. In the *Resolution*, "ALEC encourages the FCC act expeditiously to resolve traffic pumping issues." Furthermore, "ALEC encourages state commissions also to resolve traffic pumping issues and encourages state legislatures to ensure that current statutes do not enable or promote traffic pumping practices."

Current rules for intercarrier compensation, particularly rates for local exchange carriers (LECs) entering revenue sharing agreements, have been abused, thus creating conditions in which traffic pumping thrives. We encourage the FCC to act promptly to build on previous efforts to curb traffic pumping by considering changes to current rules on intercarrier compensation to prevent abuse. Additionally, we believe that the Commission should work together with state efforts to combat intraMTA wireless traffic pumping and provide sufficient data and guidance to better enable state officials as they address the problem. Furthermore, any Commission actions with respect to traffic pumping should be clear so that states understand the scope of their respective jurisdiction and correlating responsibilities.



We are pleased to see the Commission soliciting comments on this important topic. ALEC believes that traffic pumping is a serious problem and must be addressed soon for the benefit of the American consumers by protecting investment and innovation in and growth of broadband and telecommunications infrastructure.

Cordially,

A handwritten signature in black ink that reads "Blair Thoreson".

Representative Blair Thoreson, North Dakota

Co-Chair, Telecommunications & Information Technology Task Force
American Legislative Exchange Council

A handwritten signature in black ink that reads "Bartlett Cleland".

Bartlett Cleland, Esq.

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